



**BRIEFING: June 6, 2013 Board Meeting Agenda Item # 4**

**TO:** Chairman Richard and Board Members

**FROM:** Tom Fellenz, Chief Counsel  
Frank Vacca, Chief Program Manager

**DATE:** June 6, 2013

**RE:** Adoption of an Unsolicited Proposals Policy

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**Introduction**

As the Authority moves into construction of the Initial Operating Segment (IOS), staff has continued to develop and refine plans for funding future segments and covering other costs associated with the construction, operation, and maintenance of the high-speed rail system. While a variety of potential sources exist, the private sector offers several benefits that others do not, including the transfer of risk away from the state and taxpayers.

To date, the Authority has received unsolicited proposals and inquiries for a range of services with varying levels of detail and commitment. It is in the Authority's interest to gather ideas from industry and transparently evaluate proposals that provide value to the State. Experience shows that firms will submit unsolicited proposals when they have a good idea and thus a potential competitive advantage. The Authority needs a formal policy and transparent methodology for evaluating unsolicited proposal ideas and initiating procurements for those that have good value.

Several transportation agencies have unsolicited proposal policies, including:

- Caltrans (in draft)
- Virginia Department of Transportation
- Indiana Department of Transportation
- Nevada Department of Transportation
- Texas Department of Transportation

**Background**

The Authority should actively seek out and encourage unsolicited proposals from that private sector that are innovative, well-defined, and offer the Authority a valuable product or service that meets a defined need.

Generally, these types of unsolicited proposals are written offers to perform a proposed task or initiative that is: (1) innovative and unique; (2) independently-initiated and submitted by a prospective contractor with the intent of obtaining a contract; (3) of sufficient size and benefit to warrant a full review process by the Authority; (4) presented in sufficient detail so that the benefit to the Authority is clear; and, (5) aimed at meeting a defined need of the Authority.

On the other hand, due to the high visibility of the project, the Authority is often approached with unsolicited proposals that do not merit a full review and procurement. These proposals often consist of vague offers or explorations that are: (1) for research or further development; (2) proposal explorations; (3) technical inquiries; (4) standard, off-the-shelf products or services; (5) requests for product endorsement or capital funds to bring a product to market; and, (6) prove impossible to evaluate due to lack of information.

## **Discussion of Issues Now Before the Board**

In order to sort through these proposals in a thorough and transparent manner, staff proposes that the Board adopt a standard policy for dealing with such offers. Essentially, the recommended policy contains four steps. They are as follows:

### *1. Intake*

The first step in the process is to create a defined and easily navigable system for interested parties to submit their proposals. Once in place, this will allow the Authority to receive proposals and collect a non-refundable, non-negotiable fee to cover Authority costs of reviewing such proposals. Following receipt, Authority staff will log and record details of proposal, then notify the steering committee of review requirement and set a timeline for evaluation.

### *2. Screen*

Staff will then assess the proposal against already established Authority policies and framework. This will be followed by a high-level and detailed project screening for scope, feasibility, complexity, synergies, financial/benefit analysis, relevant studies, and budget impact. If proposal is deemed to be consistent or beneficial to project, staff will initiate the next in line with established frame work (i.e. initiate detailed screening).

### *3. Decision*

Once reviewed extensively by staff and determined to be of merit, the proposal will be brought to executive management for review. Upon conducting another level of review, executive management will determine whether or not the proposal is worthy of pursuing and if so, recommend that the staff move forward with procurement.

### *4. Procurement*

Depending on the size, scope, and nature of the proposal, staff may come to the Board for approval of their recommendation to proceed to procurement. Whether or not staff goes to the Board for approval, once it has been determined to move forward, a competitive procurement will take place.

## **Recommendation**

Staff recommends that the Board approved the proposed policy for unsolicited proposals. Staff will then draft the details for unsolicited proposal process.